

The Accounting Historians Notebook

Volume 21
Number 1 April 1998

Article 8

1998

Dennison Manufacturing Company: An introduction to the Company, its most influential president and its archive

Gloria Vollmers

Follow this and additional works at: https://egrove.olemiss.edu/aah_notebook



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

Vollmers, Gloria (1998) "Dennison Manufacturing Company: An introduction to the Company, its most influential president and its archive," *The Accounting Historians Notebook*: Vol. 21 : No. 1 , Article 8.
Available at: https://egrove.olemiss.edu/aah_notebook/vol21/iss1/8

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in The Accounting Historians Notebook by an authorized editor of eGrove. For more information, please contact memanuel@olemiss.edu.

THE DENNISON MANUFACTURING COMPANY: AN INTRODUCTION TO THE COMPANY, ITS MOST INFLUENTIAL PRESIDENT AND ITS ARCHIVE

by

Gloria Vollmers, University of Maine

Aaron Dennison started a small family business in Brunswick, Maine in 1844 for his father, Andrew. Initially, the only product was hand constructed paper boxes for watch makers and jewelers. Eliphalet Dennison, another son, bought the business from his father and moved it in 1855 to Roxbury, Massachusetts for its larger markets. There he continued making boxes but expanded into tags and later into crepe and other paper products. To acquire larger facilities and access to a railway siding, H.K. Dyer, president from 1892-1909, moved the company to Framingham, Massachusetts in 1896. The company also had a factory in Marlboro, Massachusetts and two subsidiaries, one in Drummondville, Canada and the other in London, England.

Henry Dennison was the most influential of all the presidents of the company (of which four were Dennison family members). After graduating from Harvard in 1899, he became works manager, then treasurer, and finally president in 1917—a post he retained till his death in 1952. A progressive, a liberal, and a humanitarian, he was a prolific writer, coauthoring several books, writing many articles and delivering innumerable speeches. A student of history, he believed that knowledge of history helped to guide decision-making. The purpose of this article is to introduce briefly the reader to the company, to its fascinating leader, and to describe the contents of a virtually unknown and untouched archive which he established. It is believed that others may find these data useful in their research.

Dennison Manufacturing, during the first half of the twentieth century, had five primary product lines: fine paper boxes, tags and labels (for attachment to merchandise),

gummed paper (seals), crepe paper (party goods, crafts, costumes), and the holiday line (Christmas, Easter, St. Valentines Day etc). They had five retail stores which sold only Dennison products in Boston (two stores), Philadelphia, Chicago, and New York. These stores also served to teach women how to make creative use of Dennison products - making flowers, costumes, and lampshades out of crepe and sealing wax for example. Their U.S. sales offices varied in number, but the 1929 annual report listed twenty-five, including locations in Minneapolis, New Orleans, San Francisco, and Seattle. They also had foreign sales offices in Copenhagen, Havana, Singapore, Sydney, Mexico, Hamburg, Buenos Aires, and Rio De Janeiro as well as two in England and three in Canada. From 1869 through 1950 the company only reported two loss years, both during the Depression.

The company produced goods in bulk for retail use but also devoted about half of its capacity to special orders. Companies would, for example, order tags or seals in specialized sizes and shapes, with customized designs and colors. A broad customer base allowed Dennison to maintain constant employment levels except under the rarest conditions, in particular, the Depression. Many interviews with former employees confirmed that the greatest benefit of their employment was security - a condition that Henry Dennison himself strove to maintain (Dennison, 1922).

Henry Dennison was greatly influenced by and became active in scientific management. He became the president of the Taylor Society. He believed in the idea of the business engineer, of one who could apply scientific concepts to management problems. By

concepts is meant through research into the problem at hand. This research took a variety of forms, studying people and their work, survey evidence of customers and other firms, and historical study. An example of the types of research he used can be found in a republished paper he presented to the Taylor Society in 1927 entitled "Scientific Management in Manufacturers' Marketing." In that paper he discussed the information his traveling salesmen collected on their own use of time. He used research published by the Federal Government on narrow trading areas in order to compare Dennison sales in the same areas. He ordered analyses of expenses and sales dollars to be correlated with towns to help decide where additional sales effort might be most profitable. He applied scientific management principles to his firm, using time studies where possible to create bonus compensation plans. However, he added a human touch to a system commonly associated with treating men as machines:

The (business) engineer cannot measure his success solely by results in their usual business meaning, by his financial return or the degree to which he has his own way. Some other measure of his worth must have a part in his final self-valuation, some estimate of service to his fellow man and of contribution to the fund of human knowledge. No engineer would neglect so useful a force as the profit motive, but would limit its sovereignty by placing greater emphasis on the motives enhancing self-respect, on service and scientific consistency. The financial measure of success, the profit motive, enters into his calculations as it enters into the doctor's as a part of his consideration, not as its beginning, middle and end, not as its single control (Dennison, 1925a, 145).

Linked to his interest in scientific management, Mr. Dennison believed that cost

accounting offered necessary information and he and other executives made regular contributions to the *National Association of Cost Accountants Bulletin* (see separate section in bibliography). The company's work analyzing distribution costs was on the cutting edge of modern cost management (Vollmers, 1993).

Henry Dennison frequently voiced concern about outsiders influencing firms. He fought successfully in 1911 to remove voting stock from outside shareholders and place it in management's hands (McQuaid, 1977, 81-82, Heath, 1929, 175-178). "Here are often found glaring instances of considerable shares in the ultimate responsibility for the success of a corporation resting in the hands of those who have not the least knowledge of its needs," (Dennison, 1915, 184, see also Dennison, 1918, 424). Reporting on the meeting of the President's (Wilson) Industrial Conference of October, 1919, Mr. Dennison said:

If we are to get ahead and handle the industrial relations problem better and better each year, it must be done on the job. It must be done by a management resident in the business. It cannot be done by absentee directors; it cannot be done by the distant financial management which is all too common in American corporations (Dennison, 1920, 80).

Although convinced that the control of the firm should rest solely in the hands of management, Henry Dennison did not believe in corporate secrecy. The annual reports to shareholders (1920-1929) were models of disclosure for the period. They went further than merely describing company products, including details of company policies on depreciation and advertising. Ripley (1927, 184) cited them as examples of the best corporate reporting. Dennison also believed in sharing information for mutual benefit and started the Manufacturers Research Association in 1924. This group of non-competing firms

DENNISON...continued on page 35

organized a research staff to exchange detailed information on management methods in order to identify and learn from the best practices of each member company (Golden Book of Management, 1984, 188).

Mr. Dennison adamantly opposed the industrial spy and the companies (American Confidential Bureau and Sherman Service Inc. were two) that sold this service. He actively sought formal support from other business leaders in declining the services of those companies offering to place spies among employees to detect theft and report on labor unrest and organizing activities. The following demonstrates Dennison's position:

It was way back sometime in 1904 when our Company had its last experience with the Industrial Spy. The factory management suspected stealing from our stock rooms and was rather easily persuaded by the salesman for one of the detective agencies to let him put in an operative to find out. Our superintendent was a solid Cape Codder of the best type, full of common sense and keen intuition. After about three weeks of the reports from this operative, in which no thefts were mentioned but every other crime known to the law was hinted at, the old Super spent something more than the usual allowance of time in this department himself and found it buzzing like a hornet's nest. Nobody there knew there was a spy on the job, but everybody had the fidgets and seemed to be suspecting everyone else of everything they could imagine. The old man came down to the office pretty soon after, and in the deliberate drawl that grows out of the warm climate of the southern part of the Cape, he "reckoned" that he didn't know whether there had been any stealing going on or not, but as he figured it, we would come

out a long ways ahead by hiring the thief and firing the spy. This was twenty years ago, but those of us who were in on it got a lesson that's good for another twenty years at least (Dennison, 1925b).

The company was in the forefront of the corporate welfarism movement. Dennison Manufacturing became the first company in the U.S. (1915) to set up a permanent unemployment insurance program (paying 80% to those laid off with dependents and 60% to those without - terms which fully included women workers). "Have we not a right to hope that some day a wage earner will no more be expected to give his life's work to a concern without some marginal security against times of stress..." (Dennison, 1932, 32). There was also a pension plan, a free medical clinic, and a works committee (company union). The company sponsored ball games and parties and had a store where employees could purchase their products at a discount. They made low interest loans to employees for second-mortgages and sponsored the immigration of employees' family members. Approximately half of their employees were women, who also participated on the works committee, although none served in top executive positions.

Henry Dennison's thoughtfulness towards his employees has been confirmed not by his printed words but by those of employees who remembered him in telephone interviews. Women and men reminisced that he often walked about in the factory, talking and joking with people. A machine worker fondly remembered an incident that occurred during World War II. An argument between workers and the foreman broke out because the poor quality wire they had to use was frequently breaking, slowing and stopping production. Mr. Dennison came over and asked what the problem was. After listening, he put his hand on "my shoulder and said 'I know the materials are bad, I only ask that you do your best.'" He approached a woman employee and asked what she was making and when she said

"crepe shrouds," *The Accounting Historians Notebook*, Vol. 21 [1998], No. 1, Art. 8 he responded, shocking her at the time, "Not for me—for me you'll only need an ashtray." A woman passionately told the story of her uncle, who was "only a janitor" approaching Mr. Dennison to ask if he might sponsor the immigration of her parents. He did so immediately. Another said that Mrs. Dennison always made sure that nursing mothers in the neighborhood had milk.

Henry Dennison was also eccentric. He sometimes came to work in his slippers. The art director remembered him bringing a dead fox into his office to demonstrate the color he wanted reproduced. A man who caddied for him recalled a very hot day when Dennison went back into the clubhouse and cut off his trousers to turn them into shorts. A fascinating man who, almost 50 years after his death, continued to inspire warmth and regard from those who worked for him.

In 1920, plans were made to keep a formal record of the history of the company. A memo from H. N. Dowse (Secretary to the President) to Henry Dennison said that they would try to start with 1910 or as much before as possible and offered a preliminary list of what was to be retained:

- 1) Reports of the meetings of the manufacturing committee, the merchandising committee and sales conferences.
- 2) Quarterly reports of personnel managers, merchandizing managers, works manager, other managers and all their reports or minutes of committee meetings.
- 3) Every Dennison catalog and advertising booklet.
- 4) Reports of district manager conventions.
- 5) All district manager letters and Hippen-Tip letters (helpful information for retailers).
- 6) Special statistical department reports on factory figures, selling expenses, London finances, etc.
- 7) Reports of committee chairmen and others on visits to districts.

- 8) Daily, monthly, and yearly sales including those from retail stores.
- 9) District expense sheets.
- 10) Profit figures, miscellaneous sales, and financial figures.
- 11) All Round Robins (the internal company magazine for employees).
- 12) Records of salesmen and other classes and photographic resources.
- 13) All other company materials likely to contribute to the company archives, i.e., Works Committee Booklets, Employee Industrial Partners Book, etc.
- 14) Complete details of the Annual Industrial Partners Meeting and Dinner - including menus, song sheets, identification tags, photos of tables and hall decorations and the like.
- 15) Photographic records of all sorts including Industrial Partners Albums.

In the margins of this list, Henry Dennison added: Industrial Partner Outfits, any other booklets, 75-year book (an internally published history of the company), stockholder notices, balance sheets, minutes of divisional meetings, foreman's meetings, reports, and books. In 1923, Dowse decided to retain every speech or article written by an executive.

In 1922, the History Room was opened. In the Annual Report of that year is a photograph of this beautifully appointed room with built-in glass-fronted display cases, free-standing display cases, oriental rugs, and tables and chairs for study. The following statement was placed in the report:

During the past year the History Room at the Framingham factory has been completed, and within its fire-proof walls have been collected relics and records of the past. Jewelers' boxes of old Brunswick, tags of Civil War days, and crepe from Roxbury; correspondence of the founders, official instructions of 1900 and the years following, and

Vollmers: Dennison Manufacturing Company: An introduction to the Company, its most influential president and its archive committee reports dating back to 1906. And each day, as a copy of every document which has a bearing on executive control is filed, an addition is made to this heritage for future generations of Dennison leaders.

From the records already collected, a history is being compiled for the instruction of our higher executives, present and future. From the story of the development of the plant, of merchandise, of selling methods, of finance and of personnel relations, it is hoped to form a body of tested principles to guide us. For each day the world, in the economic sense, grows smaller and more inextricably knit together; and the conditions of business competition become increasing more complex. The status of commerce and industry on the Rhine, in Mesopotamia and in China is, in the last analysis, as vital to our economic structure as are the coal mines of Pennsylvania or the mills of New England. Success, consequently, will depend less and less on circumstances and mere dynamic energy, the old method of trial and error giving way perforce to intelligent leadership based on recorded experience.

If the Dennison Manufacturing Company can from past and present performance discover principles for future guidance, then continued success seems so much more certain.

The responsibility for keeping, cataloguing and developing all the records was not left to an employee to handle during spare moments. Henry Dennison took this project far too seriously and hired an historian. The first was T. P. Martin, hired just as he was about to finish his doctorate in history. Dennison granted him access to all records and to all employees. The jobs he

(11/1/22 internal memo):
A general chronological sketch of the history of the business; the development of the selling organization; the history of merchandising, or why some articles of merchandise have turned out to be successes and why others have been failures; the history of factory expansion and organization and of coordination between the factory end and the selling end of the business; methods of financial administration, including the history of investments made by the company, whether for expansion of the business or for the employment of surplus cash; the evolution of general Company policies, past and present. Biographical studies of successful men, depression and boom problems of the past, pricing policy during the war, "old time" competition, the history of royalty agreements, the history of relations between the Company and labor, etc., will be eventually studied.

E. P. Hayes followed Martin. Charlotte Heath took over the job in about 1928 and then, Esther Staples. After these people, it is difficult to tell who, if anyone, the historians were. It must have been a demanding position with a turnover of four people in ten years.

In the archives, in addition to all items listed above, are scrapbooks filled with Dennison memorabilia organized by product, magazine, and newspaper. All Dennison advertising and every appearance of Dennison's name in a newspaper has been retained. The completeness of this collection would prove valuable to anyone interested in advertising history.

There are scrapbooks containing all of Dennison's *Party Magazine*, which started in 1900, (a regular publication sent to subscribers filled with suggestions on how to decorate and entertain with Dennison products) and other craft publications,

how-to-order letters to dealers, letters to subscribers, and renewal notices. There are scrapbooks of the promotional materials which accompanied the travelling salesmen and all of the price catalogues spanning at least 50 years.

The room is filled with samples of Dennison merchandise, but it obviously does not represent a complete collection. The high quality of the goods is abundantly evident. After 50 years of casual storage, the party favors, place settings and decorations could be used today. They were constructed of tough cardboard, and their vivid colors remain—depicting Santa, leprechauns, the Easter Bunny, Uncle Sam, witches, black cats, and pumpkins. Retired art director Art Manguso (telephone interview, 1994) said that he believed that many children's visions of what the modern Santa Claus looks like came from Dennison's fine holiday decorations. The quality of the decorations arose from Dennison's commitment to hire artists for the work. Mr. Manguso said that very few companies used trained artists.

The archive includes thousands of photographs, dating from early in the century through the 1920s. These photographs show the grounds, buildings, offices and machinery, and usually include people. There are pictures of company-sponsored ball games and parties, of the various committees, of people at work. They are well marked. Buildings, rooms, types of machinery, people, and dates are identified.

In the file cabinets there are factory cost reports for at least two decades (1910-1930), company correspondence dating from the turn of the century (all on fragile and deteriorating onion skin paper), and reminiscences (by others) of top executives. There are reports on general competition, business trends, specific competitors, and surveys of retailers to determine why competitor's products were chosen over Dennison's. A substantial amount of information exists here for the student of marketing history. Histories created by or compiled by the current historian are also available. Histories of

crepe, of box making, of tag making, of home work (thousands of people strung the company-produced tags in their home until 1935) (see Vollmers, *Business History Review*, Autumn, 1997), of wages, of advertising, of business cycles, to name but a few. There are hundreds of copies of books published by the company on its own history and its founders. These books were given to employees upon hiring and were mailed to anyone requesting information about the company.

Financial reports, profit and loss reports, and reports of the treasury division are extant, but ledgers are not. Original documents have, for the most part, been destroyed. There are, for example, no records of the weekly pay of individual employees although averages and starting pay for new employees may be found in the yearly personnel reports. Although it is known that much of their factory cost accounting system was not integrated with the financial records, it is impossible to determine how the differences were reconciled at the end of the year.

The company's committee system began in the first decade of the century. Each committee chair wrote a history of each year so there are yearly histories for merchandising, manufacturing, methods, research, cost, personnel, accounting, finance, safety, and quality committees (and others). The company historian compiled a history of the company for each year. Histories for each year were reconstructed back to 1902. Furthermore, the historian created 10-year summary histories from the one-year histories. The summaries and supporting documents from the decades of the 20s, 30s and 40s, are most reliable. The ones before this time are reconstructions, not contemporary creations.

There are files on their Canadian and London companies. All the minutes of the Works Committee have been retained which should be of interest to anyone intrigued by labor history and particularly, company-run unions. About 12 inches of file space is taken up by files on renegotiation of government war contracts from the mid-1940s—

Vollmers: Dennison Manufacturing Company: An introduction to the Company, its most influential president and its archive however, these are mostly composed of spreadsheets packed with figures which may be difficult to decode. Finally, there are multiple file drawers filed with Henry Dennison's drafts of speeches and articles spanning 30 years.

In 1952, Henry Dennison died. Undoubtedly related, the archive deteriorates after that. There are many items from later years, but the regularity and organization of the data breaks down. On the positive side, for example, the reports of the research division extend into the 1970s. The archive is best during the twenties and thirties and is good during the forties. Prior to the twenties the collection is erratic because so much was reconstructed based on memory and those materials which had been retained. However, much remains from those early years.

The organization of the filing cabinets demonstrates that at one time much care went into the storage and classification of these materials. Since moving the archive from the History Room to its current storage space, everything else in the room has been carefully, but randomly, placed on whatever surfaces were available—therefore it is difficult, at best, to identify what exists or find what one hopes is there. No one maintains the room, so filth is accumulating at a rapid pace, accelerating the deterioration of much of the paper records.

This archive contains materials of interest to many business historians as a case study of scientific management implementation, of advertising and marketing history, of in-house unions, and of town/business relations. The archive is at its best from 1910 through 1940, a range that includes some of the most interesting periods of twentieth century history. If anyone would like to examine the archives, the author will provide the names of the company personnel who might grant that permission.

BIBLIOGRAPHY

Dennison, H. "Experience Demonstrates

Advantages of Unemployment Reserve Funds," *American Labor Legislation Review*. Vol XXI, #1, (1932): 29-32.

Dennison, H. "Business Management and the Professions." *The Annals of the American Academy of Political and Social Science*. Vol CXIX, (May 1925a): 143-147.

Dennison, H. "Hire the Thief and Fire the Spy." *Current Affairs*. (April 20, 1925b): 6.

Dennison, H. "Stabilizing Employment in a Diversified Seasonal Industry." *Proceeding of the Academy of Political Science*, Vol 9, #4, (1922): 547-551.

Dennison, H. and Ida Tarbell. "The President's Industrial Conference of October, 1919." *Bulletin of the Taylor Society*. Vol V, #2, (April, 1920): 79-91.

Dennison, H. "Why I Believe in Profit Sharing." *Factory*. (March, 1918): 424.

Dennison, H. "The principles of Industrial Efficiency Applied to the Form of Corporate Organization." *The Annals of the American Academy of Political and Social Science*. Vol LXI, (1915): 183-186.

Dennison, H. "Scientific Management in Manufacturers' Marketing." *Bulletin of the Taylor Society*. (December, 1927): 526-535.

Heath, Charlotte. "History of the Dennison Manufacturing Company-II." *Journal of Economic and Business History*. Vol II, (November, 1929): 163-202.

McQuaid, Kim. "Henry Dennison and the Science of Industrial Reform, 1900-1950." *American Journal of Economics and Sociology*. (October, 1977): 79-98.

Ripley, W. Z. *Main Street and Wall Street*. Boston: Little, Brown, and Company, 1927.

Urwick, L. F., Editor. *The Golden Book of Management*. New York: Amacon, 1984.

Vollmers, G. "Distribution Costing in the Dennison Manufacturing Company." *Accounting Historians Journal*. (December, 1993): 83-94.

Vollmers, G. "The Industrial Home Work of Dennison Manufacturing Company." *Business History Review*. (Autumn, 1997).

KNOWN CONTRIBUTIONS TO THE
NATIONAL ASSOCIATION OF COST
ACCOUNTANTS—BULLETIN BY
DENNISON EXECUTIVES:

- Freeman, E. S. "Budgetary and Financial Policies for Industrial Corporations." (August 15, 1944).
Sawyer, A. E. "Cost Accounting as Evidence in Cases Arising under the Robinson-Patman Act." (February 15, 1938).
Farrell, A. C. "Standards and Wage Incentives for Office Activities." (December 15, 1936).

- Freeman, E. S. "Distribution Cost Analysis and Its Influence on Pricing Policy." (September 1, 1933).
Naumann, F. J. "The Development of Standard Order-handling and Order-filling Cost Rates." (February 1, 1933).
Wallis, R. N. "Overcoming Management Inertia." (June 15, 1931).
Freeman, E. S. "The Manufacturer's Marketing Cost." (November 15, 1929).
Dennison H. S. "Sales Cost Accounting." (November 1, 1928).



COMMITTEES...continued from page 29

University of Alabama. Development of duties and responsibilities of the position and relationships with the university. Contract with the University of Alabama regarding matters concerning the administrative coordinator position.

Gary John Previts, (chair), Case Western Reserve University
Edward N. Coffman, Virginia Commonwealth University
Dale L. Flesher, University of Mississippi
Sarah A. Holmes, Texas A & M University
William D. Samson, University of Alabama

Elliott L. Slocum, Georgia State University

RICHARD G. VANGERMEERSCH
MANUSCRIPT AWARD COMMITTEE

Charge: Prepare announcement for the award, encourage submissions of manuscripts and select the outstanding manuscript for 1998 using established guidelines.

Donna L. Street, (Chair), James Madison University
Garry D. Carnegie, Deakin University
Richard K. Fleischman, Jr., John Carroll University
Christopher Napier, University of Southampton
Thomas N. Tyson, St. John Fisher College

..... CPE WORKSHOP

The Academy of Accounting Historians will sponsor a CPE workshop at the Annual Meeting of the AAA on Sunday, August 16, from 8:00 am to 12:00 noon. A panel consisting of Richard Fleischman, John Carroll University, Barbara Merino, University of North Texas, and Vaughan Radcliffe, Case Western Reserve University, will provide an introduction to accounting history as a discipline and discuss the research process from inception of an idea through publishing of the

manuscript. Research approaches that will be discussed include archival research, critical theory, and new history. Several journal editors or representatives will discuss types of analyses appropriate to their journals. The session is designed for all who have an interest in accounting history and desire to better understand accounting history, to contextualize studies in their own research areas of interest, or to add historical work to their research portfolios.